Local Government Mandate Statement Kentucky Legislative Research Commission 2022 Regular Session

Part I: Measure Information

Bill Request #: 909
Bill #: SB 28
Document ID #: 2284
Bill Subject/Title: AN ACT related to water rates.
Sponsor: Senator Rick Girdler
Unit of Government: X City X County Y Urban-County Unified Local
X Charter County X Consolidated Local X Government
Office(s) Impacted:publicly-owned utilities
Requirement: Mandatory _X_ Optional
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 28 would amend KRS 278.170 to establish that, with Public Service Commission (PSC) approval, a utility under the authority of the PSC **may** offer free or reduced rate water service to any commercial food producer that produces the food items enumerated in the bill for human consumption.

"Utility" does not include a regional wastewater commission formed under KRS 65.8905, nor does it include a city for purposes of providing water for public consumption. The PSC only has authority over city water utilities when they buy or sell water to or from a PSC-regulated utility.

SB 28 does not impose a fiscal mandate on local governments since it is permissive, rather than mandatory. A privately-owned i.e., PSC-regulated, water utility providing water to local food producers for free or at reduced rates could result in rates being increased for other water users, including local government entities. It is not possible to quantify how much such rates would be increased.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II applies to SB 28 as introduced. There is no prior version.

Data Source(s): <u>Kentucky League of Cities; Joel Wilson of the Pulaski County Water</u>

District; LRC staff

Preparer: Mary Stephens/mjo **Reviewer:** KHC **Date:** 1/10/22